



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

April 13, 2022

BY ECF and BY EMAIL

The Honorable Kimba M. Wood
United States District Court
Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, New York 10007

Re: *United States v. Steven Brown*, S9 16 Cr. 436 (KMW)

Dear Judge Wood,

Pursuant to the Court's March 2, 2022 order (Dkt. No. 418), the Government writes to provide an update as to the status of efforts to bring SAV, LLC and Marc Brown into compliance with the Court's February 19, 2021 Stipulation and Order (the "Stipulation and Order") and July 26, 2021 Order finding SAV and Mr. Brown in contempt and imposing financial sanctions.

As the Court is aware, on February 19, 2021, the Court entered the Stipulation and Order, which provided, among other things, that SAV had 45 days from the date the Order was entered to pay \$530,000 to William Busbice and Christopher and Geeta Brown to resolve competing claims to a parcel of real property located in Santa Monica, California (the "Santa Monica Property"). When SAV failed to make the required payments, the Government moved to hold SAV and Marc Brown in contempt. On July 26, 2021, the Court found SAV and Marc Brown in contempt and imposed financial sanctions. Those sanctions began accruing on July 27, 2021.

SAV and Mr. Brown have not yet satisfied their obligations under the Stipulation and Order and no payments have yet been made to Busbice, nor to Christopher and Geeta Brown. As a result, financial sanctions have continued to accrue.

In its prior update letter of February 28, 2022, the Government informed the Court that it had learned from counsel for SAV and Mr. Brown, Theresa Trzaskoma, Esq. there was signed purchase agreement with respect to the Santa Monica Property. Based on the documents that have been provided to the Government, it is the Government's understanding that the contemplated transaction is an all-cash transaction for a purchase price of \$625,000. Furthermore, it is the Government's understanding that SAV has succeeded in negotiating the removal of a mortgage on the Santa Monica Property held by a business associate of Steven Brown's and defense counsel has provided the Government with a "Substitution of Trustee and Full Reconveyance" filed with the Los Angeles County Recorder's Office. Accordingly, the mortgage has now been removed on the property. Additionally, and as the Government previously reported in its August 26, 2021 letter, in late summer, the Financial Litigation Unit of the U.S. Attorney's Office took the initial

steps required to restrain assets in furtherance of efforts to collect the financial sanctions. Based on the efforts made to date, it does not appear that Mr. Brown has assets that may be productively subject to restraint.

In recent weeks, the Government heard from Ms. Trzaskoma that both the real estate agent involved in the transaction and the attorney for the purchaser had informed her that the down payment was provided to an escrow agent in connection with the sale. The Government has further been informed by Ms. Trzaskoma that an inspection of the property took place recently and that a report is pending. The Government, however, has no additional information at this time as to the anticipated closing date of the transaction.

In light of the above circumstances, the Government respectfully requests that the Court order counsel for SAV and Mr. Brown to provide an update to the Court by Friday, April 22, 2022 as to the status of the sale of the Santa Monica Property. In the event the sale is not, in fact, proceeding forward, the Government will take any and all appropriate steps to obtain payment pursuant to the terms of the Stipulation and Order.

Respectfully submitted,

DAMIAN WILLIAMS
United States Attorney
Southern District of New York

By: /s/ Noah Solowiejczyk
Katherine Reilly
Noah Solowiejczyk
Assistant United States Attorneys
Tel. (212) 637-6521/2473

cc: Theresa Trzaskoma, Esq. (by email)